

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	DATE FILED:
v.	:	CRIMINAL NUMBER
BRADLEY P. BUZBEE	:	VIOLETIONS: 18 U.S.C. § 371 (Conspiracy to defraud healthcare benefit program) - 1 Count

INFORMATION

Count One

THE UNITED STATES ATTORNEY CHARGES:

At all times material to this information:

THE MEDICARE PROGRAM

1. The Department of Health and Human Services (HHS) was a Department of the United States government with responsibilities under federal law for the funding, administration and supervision of certain health care programs including the "Medicare Program."
2. The "Medicare Program" was designed to provide medical services, medical equipment and supplies to aged, blind and totally disabled individuals (beneficiaries) who qualified under the Social Security Act.
3. The Medicare Part B program was a federally funded supplemental medical insurance program which provided supplementary Medicare insurance benefits for individuals aged sixty-five or older and certain individuals who are disabled or handicapped.
4. The Medicare Part B Program paid for durable medical equipment (DME) and supplies provided to eligible beneficiaries.

5. To be entitled to submit claims to Medicare for equipment or services provided Medicare beneficiaries, a supplier had to complete an application, and be approved by Medicare as an authorized supplier. Medicare would then issue the supplier an individual Medicare provider number.

6. Suppliers submitted claims for equipment and services provided to Medicare beneficiaries to one of four companies (carriers) that processed claims for the geographic region of the United States in which the beneficiary resided. Carriers are referred to as Regions A (Northeast), B (Midwest), C (Southeast) and D (West). Each regional carrier established reimbursement rates for particular products, and determined standards for establishing the medical necessity of every product distributed to beneficiaries residing in that region.

7. To be reimbursed by Medicare, a supplier had to submit a claim to Medicare which included the supplier's Medicare provider number. Medicare required that all submitted claims contain truthful information, including the identity of the true supplier of goods or services to the beneficiary.

8. If the regional carrier determined that a supplier had been overpaid, the region notified that supplier that future payments authorized by the region and payable to that supplier would be used to offset the amount Medicare alleged was overpaid on past claims. Medicare did not permit suppliers to avoid having future claims used to offset amounts due to Medicare by using another supplier's number to submit the claims.

9. Suppliers who disputed an overpayment found by Medicare had to file an appeal to a hearing officer. A company which faced serious financial difficulties if its future claims were used to offset alleged prior overpayments could file a hardship application for relief. If a hearing

officer determined on appeal that the supplier was not overpaid for past claims, the supplier was awarded the amount of all offset claims plus interest.

10. Suppliers who were notified by a Medicare carrier that a product was not medically necessary for certain types of patients were not permitted to submit claims to Medicare for that product for that type of patient by using another supplier's Medicare number.

11. Medicare conducted audits of claims in order to determine that supplies were medically necessary and that claims were not fraudulent. A supplier was not permitted to use the supplier number of another company in order to avoid scrutiny or audits by Medicare.

12. By law and regulation, suppliers who billed Medicare for goods and services were not permitted to pay kickbacks or fees to individuals or companies in exchange for the referral of business.

THE TRICARE PROGRAM

13. The Department of Defense (DOD), a department of the United States government, was responsible for the administration of the Tricare program.

14. The Tricare program paid for hospital services, medical services, home health care, durable medical equipment and supplies and other services to civilian dependants of military personnel and retired members of the military who qualified for participation in the program. The United States government provided the majority of the funding of the Tricare Program.

15. By law and regulation, providers who billed Tricare for goods and services were not permitted to pay kickbacks or fees to individuals or companies in exchange for the referral of business.

DEFENDANT AND OTHER COMPANIES AND INDIVIDUALS

16. Gulf Coast Support Surfaces (Gulf Coast), located in Tampa, Florida, was a durable medical equipment supplier which was authorized to bill Medicare through its supplier number. Defendant BRADLEY P. BUZBEE was the president of Gulf Coast and was the only individual whose name was provided to Medicare in connection with Gulf Coast.

17. Geri-Care, located in Tampa, Florida, was a durable medical equipment supplier which was authorized to bill Medicare through its supplier number. Person # 1 known to the United States Attorney (Person #1) was the president of Geri-Care. Person #2 known to the United States Attorney (Person #2) was at all times a partner in Geri-Care who shared equally in the profits of the company. Person #2 was not listed on the application for supplier number which was submitted to Medicare, although Intramedical, a company owned by Person #2, was listed as the manager of the company. Defendant BRADLEY P. BUZBEE assisted Person #1 at various times in the operations of Geri-Care.

18. Intramedical, located in Phoenix, Arizona, was a durable medical equipment supplier which was authorized to bill Medicare through its supplier number. Person #2 was the president of Intramedical.

19. Central Financial, located in Phoenix, Arizona, was a billing company which prepared and submitted claims to Medicare on behalf of Medicare suppliers, including Intramedical, Gulf Coast and Geri-Care. Person #2 was the president of Central Financial.

20. Southwest Automated Voice Com (Southwest Automated), located in Phoenix, Arizona, was a voice mail company. Person #2 was the president of Southwest Automated.

21. West Coast Orthotics (West Coast), located in California, was a durable medical equipment supplier which was authorized to bill Medicare through its supplier number. Person # 3 known to the United States Attorney (Person # 3) was the president of West Coast Orthotics.

22. Chosen Care, located in Bensalem, Pennsylvania, was an undercover home health agency run by federal law enforcement special agents.

23. Pioneer Management Group, located in Alexandria, Virginia, was an undercover management company run by federal law enforcement special agents.

CONSPIRACY

24. From in or about June 1999, until at least in or about October, 2000, in the Eastern District of Pennsylvania and elsewhere, defendant

BRADLEY P. BUZBEE

combined, conspired, confederated and agreed with Person #1, Person #2, Person #3 and others known and unknown to the United States Attorney to:

(1) pay remuneration (including kickbacks and bribes) directly and indirectly, overtly and covertly, in cash and in kind to induce a person to purchase, lease, order, and to arrange for and recommend the purchasing, leasing, and ordering from companies for items for which payment was made in whole and in part under Medicare and Tricare in violation of Title 42, United States Code, Section 1320a-7b(b)(2)(B);

(2) knowingly and willfully execute and attempt to execute a scheme and artifice to defraud a health care benefit program, that is, Medicare and Tricare, and to obtain, by means of materially false pretenses, representations, and promises, money and property owned by,

and under the control of, a health care benefit program, that is, Medicare, in connection with the delivery of and payment for health care benefits, items, and services in violation of Title 18, United States Code, Section 1347;

(3) defraud the United States by impeding, impairing, obstructing and defeating the lawful government functions of the Department of Health and Human Services and the Department of Defense in the ascertainment of the validity of claims submitted to Medicare and Tricare.

MANNER AND MEANS

It was a part of the conspiracy that:

25. At various times during the conspiracy, in order to obtain payment or avoid offsets of future claims for products that Medicare Regions B and D had determined were not medically necessary, Person #1, Person #2 and Person #3 used Geri-Care's Medicare supplier number to submit claims to Medicare on behalf of Intramedical and West Coast, knowing that Geri-Care was not the supplier of the products which were billed to Medicare.

26. At various times during the conspiracy, in order to obtain payment for products which Medicare Region D had determined were not medically necessary, Person #1, Person #2 and Person #3, with the permission of defendant BRADLEY P. BUZBEE, used defendant BUZBEE's Gulf Coast Medicare supplier number to submit claims to Medicare Region D on behalf of Intramedical and West Coast, when defendant BRADLEY P. BUZBEE well knew that Gulf Coast was not the supplier of the products for which claims were submitted to Medicare.

27. At various times during the conspiracy, in order to avoid Medicare scrutiny or a possible Medicare audit, Person #1 and Person #2, with the permission of defendant BRADLEY

P. BUZBEE, used defendant BUZBEE's Gulf Coast Medicare supplier number to submit claims to Medicare Region C for patients in Puerto Rico, knowing that Gulf Coast was not the supplier of the products for which claims were submitted to Medicare.

28. Defendant BRADLEY P. BUZBEE and Person #1 deposited checks received from Medicare in payment of claims which had falsely stated that Gulf Coast was the supplier of those products into a special Gulf Coast account controlled solely by Person #1.

29. Person #1 and Person #2 paid defendant BRADLEY P. BUZBEE a monthly fee for the improper use of Gulf Coast's supplier number by other companies. Persons #1, #2 and #3 would then split the profits from West Coast business, and Persons #1 and #2 would split the profits of Geri-Care business.

30. At the direction of Person #2, Person #1 would send checks for the profits from Geri-Care and West Coast business that had been billed through Gulf Coast's supplier number to the Southwest Automated account in Arizona.

31. Person #1 and Person #2 agreed to pay kickbacks in exchange for Medicare and Tricare business to the undercover agent who was acting as president of Chosen Care, the undercover home health agency.

32. Person #1 offered to send defendant BRADLEY P. BUZBEE to Bensalem to assist the undercover home health agency generate more Medicare and Tricare business.

33. Person #2 wrote checks out of the Southwest Automated account to pay for kickbacks for business resulting from Tricare and Medicare Region A business referred by the undercover company, Chosen Care, in Bensalem, Pennsylvania.

OVERT ACTS

In furtherance of this conspiracy, and to effect its unlawful objects, the following overt acts, among others were committed in the Eastern District of Pennsylvania and elsewhere:

1. From in or about November, 1998, through in or about November, 1999, on at least a monthly basis, at the direction of Person #1 and Person #2, claims were submitted to Medicare Region D using the Geri-Care supplier number, despite the fact that those products had actually been supplied by Intramedical or West Coast.

2. From in or about June, 1999 through October, 2000, on at least a monthly basis, at the direction of Person #1 and Person # 2, claims were submitted to Medicare Region B using the Geri-Care supplier number despite the fact that those products had actually been supplied by Intramedical.

3. From in or about May, 1999 through in or about March, 2000, on at least a monthly basis, with the permission of defendant BRADLEY P. BUZBEE, claims were submitted to Medicare Region D using the Gulf Coast supplier number despite the fact that those products had actually been supplied by Intramedical or West Coast.

4. From in or about June, 1999 through in or about April, 2000, on at least a monthly basis, with the permission of defendant BRADLEY P. BUZBEE, claims were submitted to Medicare Region C using the Gulf Coast supplier number, despite the fact that those products had actually been supplied by Intramedical or Geri-Care.

5. In or about November, 1999, Person #1 agreed that he would pay a kickback to the undercover special agent who was acting as president of Chosen Care in exchange for Medicare and Tricare business.

6. On or about December 7, 1999, in a telephone conversation with the undercover

special agent in Bensalem, Pennsylvania, Person #1 suggested that Person #1's "man" (defendant BRADLEY P. BUZBEE) should travel to Bensalem to assist the undercover agent in generating additional Medicare business and kickbacks.

7. On or about December 13, 1999, during a telephone conversation with the undercover agent in Tampa, Florida, Person #1 suggested that his "young partner" (defendant BRADLEY P. BUZBEE) should travel to Bensalem to assist the undercover agent in generating additional Medicare business and kickbacks.

8. On or about December 27, 1999, during a telephone conversation with the undercover agent in Bensalem, Pennsylvania, Person #1 told the undercover agent that supplies and billing would be handled through Intramedical and Person #2.

9. On or about January 27, 2000, during a telephone conversation with the undercover agent in Bensalem, Pennsylvania, Person #1 discussed splitting the cost of having defendant BRADLEY P. BUZBEE work with the undercover agent full time at Chosen Care to assist in handling Medicare business.

10. On or about February 10, 2000, during a telephone conversation, Person #2 in Phoenix discussed with Person #4 known to the Grand Jury (Person #4) the fact that defendant BRADLEY P. BUZBEE had sent Person #2 forty claims for diabetic shoes which had not been paid by Medicare, and also discussed using another supplier number to get the claims paid.

11. On or about February 14, 2000, during a telephone conversation, Person #2 in Phoenix told Person #4 that: Medicare Region D was not paying any claims for Intramedical; Person #2 had submitted Intramedical claims by using the supplier numbers of defendant BRADLEY P. BUZBEE and Person #1; and that Medicare had stopped paying these claims.

Person #2 asked Person #4 if Person #4 would submit those claims to Medicare.

12. On or about February 16, 2000, during a telephone conversation, Person #2 in Phoenix told Person #4 that Person #1 and Person #2 had submitted \$500,000 in claims to Medicare through defendant BRADLEY P. BUZBEE's supplier number, and that Person #2 was going to link Person #3 up with other individuals for Medicare billing.

13. On or about February 17, 2000, during a telephone conversation, Person #2 in Phoenix told Person #4 that Medicare had "popped" defendant BRADLEY P. BUZBEE's supplier number after four months.

14. From on or about August 1, 1999, through on or about August 12, 2000, usually on a monthly basis, Person #1 and Person #2 paid defendant BRADLEY P. BUZBEE approximately \$1,000 per month for the use of his company's Medicare supplier number.

15. On or about June 15, 2000, Person #1 wire transferred \$10,000, a portion of which derived from claims that had been fraudulently billed to Medicare, to the Southwest Automated account in Phoenix.

16. On or about June 16, 2000, Person #2 sent the undercover agent in Bensalem, Pennsylvania a check for \$2,000 as partial payment owed to the undercover agent for kickbacks for Medicare and Tricare business.

17. On or about August 25, 2000, Person #2 sent an undercover agent in Alexandria, Virginia a check for \$835.51 as partial payment owed to the undercover agent for kickbacks for Medicare and Tricare business.

18. On or about October 17, 2000, Person #2 discussed kickback payments for Medicare business during a telephone conversation with the undercover agent in Bensalem,

Pennsylvania.

In violation of Title 18, United States Code, Section 371.

PATRICK L. MEEHAN
United States Attorney